



# Internal Audit Report

Juvenile Probation Department  
March 2002



### **Audit Team Members**

**George Miller, Audit Manager**

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# Internal Audit Department

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March 15, 2002

Don Stapley, Chairman, Board of Supervisors  
Fulton Brock, Supervisor, District I  
Andrew Kunasek, Supervisor, District III  
Max W. Wilson, Supervisor, District IV  
Mary Rose Wilcox, Supervisor, District V

We have completed our review of the Maricopa County Juvenile Probation Department (JPD). This audit was conducted in accordance with the Board approved audit plan. Our review focused on JPD's compliance with applicable laws and regulations, controls over information systems and probation programs, and departmental administration.

Overall, we found that JPD operates in compliance with applicable laws and has established effective controls over detention facilities, programs, and administrative functions. We also found that some controls over the department's information reporting systems need to be strengthened. Our specific findings and recommendations are detailed in the attached report. The highlights are:

- JPD has not adequately segregated programming and administration duties for its automated Juvenile On-Line Tracking System. This control weakness increases the risk for processing erroneous or fraudulent transactions, implementing improper program changes, and damaging computer resources.
- JPD's information systems disaster recovery plan is incomplete and outdated, which increases the risk that JPD may not be able to timely recover systems in the event of an extended outage or disaster situation.

We have attached our report package and JPD's response, which we have reviewed with the department's management. We appreciate JPD's excellent cooperation. If you have questions or wish to discuss items presented in this report, please contact George Miller at 506-1586.

Sincerely,

A handwritten signature in cursive script that reads "Ross L. Tate".

Ross L. Tate  
County Auditor

# Table of Contents

<b>Executive Summary</b>	<b>1</b>
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<b>Introduction</b>	<b>2</b>
---------------------	----------

<b>Department Accomplishments</b>	<b>8</b>
-----------------------------------	----------

<b>Detailed Information</b>	<b>9</b>
-----------------------------	----------

<b>Department Response</b>	<b>11</b>
----------------------------	-----------

# Executive Summary

## **Protection of Data** Page 9

JPD Computer programmers are responsible for authorizing, writing, testing, and implementing program changes to the Juvenile On-Line Tracking System (JOLTS). Programmers also have system administrator authority and can change data in on-line screens. Because duties are not adequately segregated, the risk increases for processing erroneous or fraudulent transactions, implementing improper program changes, and damaging computer resources. JPD should segregate main operating and programming activities.

## **Disaster Recovery Plan** Page 10

JPD's information system disaster recovery plan, prepared for Year 2000, is incomplete and outdated. This control weakness increases the risk that JPD may not be able to recover its systems, in a timely manner, in the event of an extended outage or disaster situation. JPD should expand and update its disaster recovery plan.

# Introduction

## Background

The Maricopa County Juvenile Probation Department (JPD) is part of the Juvenile Court, which is a branch of the Superior Court of Arizona. JPD operations are governed by the following laws and policies:

- Arizona Constitution Articles 6 and 15.
- Arizona Revised Statutes (ARS) Section 8-101 through 863.
- Arizona Supreme Court Administrative Orders.
- State and Federal Grants.
- Arizona Judicial Procurement Code.
- Maricopa County Administrative Manual.

The requirements of these laws and policies regulate JPD programs, detention facilities, contracts, staffing, personnel qualifications, information systems, procurements, and administration.

JPD operates primarily from two facilities; one located at the County's Durango complex, constructed in 1972, and another at the County's Southeast (Mesa) facility that was built in 1990. Both locations have courtrooms, detention facilities, and offices for probation officers and administrative staff.

## Mission and Goals

JPD's mission is "... to provide information, services, and programs to county residents so they can resolve problems associated with juvenile crime." The department has developed a vision statement and five operational goals, to be achieved between FY 2002 and FY 2004 that support its mission.

The department reports its progress made towards goal achievement on a quarterly basis. JPD has also developed a formal strategic plan as part of the County's Managing for Results program.

## Expenses and Revenues

JPD's operating budget for FY 2002 is \$40 million and funded by:

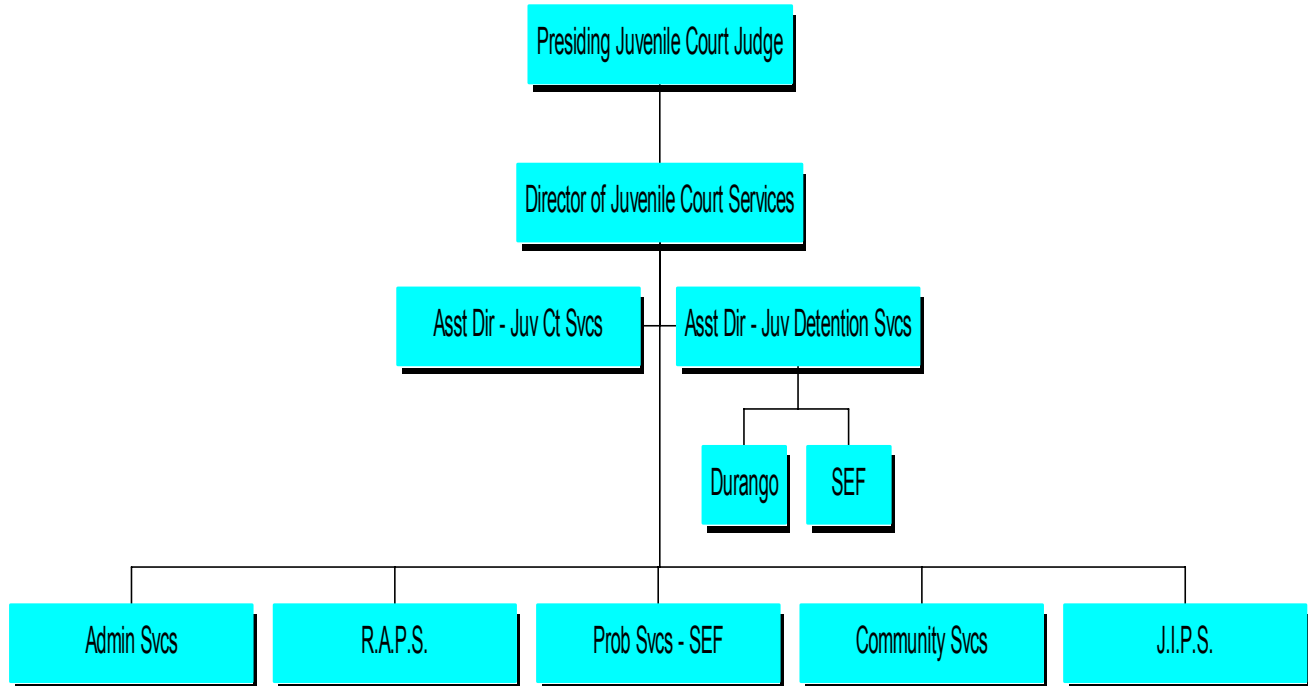
- County General Fund (61%).
- State and Federal Grants (36%).
- Probation Fees and Charges (3%).

The department's budget for the previous two fiscal years was \$40.7 million and \$38.4 million, respectively. Actual expenditures were approximately ten percent less than the budgeted amounts.

## Organization

JPD is authorized 800 positions for FY 2002 and the department's organization is depicted by the chart below. Following the organization chart are descriptions of JPD operating divisions and summaries of the activities performed by each.

## MARICOPA COUNTY JUVENILE PROBATION DEPARTMENT



## Administrative Services

The division is responsible for managing JPD's financial, budgeting, grants, personnel, fixed assets, petty cash, inventory, contract, and facilities and warehouse management activities. We found the controls over these activities to be strong. The division has assumed additional responsibilities during the last five years; procurement and a "staff development" component that is necessary for JPD to meet mandated requirements.

The internal buyer position allows JPD to save time over utilizing the Materials Management Department for small dollar (\$500 to \$3,000) purchases of non-standard items and detention supplies. Most purchases are made from County and other government contracts. JPD has developed strong controls over its procurement function, including:

- Adopting the Arizona Judicial Procurement Code (updated October 2000), which contains requirements similar to those of the Maricopa County Procurement Code Article 3.

- Superior Court Presiding Judge must approve non-contract procurements over \$500. Before being submitted to the Presiding Judge, these requests are reviewed and approved by JPD's Finance Manager and then the Director of Juvenile Court Services or Administration Division Director.
- Procurement requests must be made pursuant to an approved requisition form signed by a JPD division manager or authorized designee.
- JPD's buyer maintains a file of all procurement supporting documentation and the Finance manager reviews Advantage system reports of all JPD purchases.

## **Probation Services**

The division performs the classic functions of probation including investigations, supervision, and preparing reports to the court. Approximately 4,700 juveniles are currently on probation and 3,800 new cases are pending.

Several specialized probation units operate within the division. These are Home Detention, Electronic Monitoring, Detention Screening, Drug Court, and Special Supervision. All activities of these units are conducted by JPD staff. Psychiatric services, authorized by the court for specific juveniles, are performed by outside contracted professionals.

We verified the following controls that ensure the division effectively performs its functions in compliance with mandated requirements:

- Close continuous oversight by the State.
- Comprehensive written operational procedures.
- Rigid training requirements and programs provided to probation officers.
- Monthly caseload/activity reports sent to Juvenile Presiding Judge, AOC, Director of Juvenile Court Services, and County Administrative Officer (CAO).

## **Community Services**

This division manages and operates programs established to keep juveniles out of the JPD system. These programs are mostly grant funded and include: Diversion, Community Justice, Teen Court, School Truancy Prevention, Community Delinquency Prevention, Treatment Supervision, Victim Services, Safe Schools, Intervention-Counseling, and Volunteer Services. All of the programs are supervised and conducted by the division using staff, volunteers, clients, and area schools.



AOC and JPD have established controls to ensure that the Community Services Division effectively operates programs. These include:

- An independent Community Advisory Board, appointed by the Juvenile Presiding Judge, that provides policy and program activity recommendations.
- Comprehensive detailed written work procedures for Community Services programs.
- Regular review and evaluation of division programs and results.

## **Detention Services**

The Detention Services Division is responsible for operating JPD's two detention facilities. The division's two primary objectives are to provide a safe and secure setting, for court ordered juvenile detainees and JPD detention staff, and make the experience positive. JPD detention facilities provide a school setting using certified teachers, substance abuse programs, and other court ordered programs and activities.

We verified the following controls that ensure JPD detention facilities operate effectively and in compliance with mandated requirements.

- Monthly activity and statistical reports prepared and submitted to the Director of Juvenile Court Services, Juvenile Presiding Judge, AOC, and CAO.
- MfR goals for custodial and program activities.
- Adherence to a State standard that JPD maintain no more than a 10:1 ratio for detention staff to detainees.
- A comprehensive policy and procedures manual addressing all division activities.
- Detention facility inspections conducted by three State departments (Juvenile Corrections, Health, and Risk Management) on a regular basis.

## **Juvenile Intensive Probation Services**

Juvenile Intensive Probation Services (JIPS) is a State funded program that was established in the mid 1980's to supervise a high risk population. The program is a less expensive alternative to incarceration. Prior to 1999, JIPS program activities were performed by units within JPD's Probation Services Division. However, because of a rapidly expanding caseload, that year the department created a separate JIPS division. The division's caseload now totals more than 700.

The division is staffed by teams of probation and surveillance officers that have smaller caseloads than other probation officers. JIPS probationers are required to participate in structured activities, meet with their probation officer four times per week, remain at home unless participating in an approved activity, and sometimes wear electronic monitoring devices.

The following controls have been established to ensure that the JIPS program operates effectively and in compliance with mandated requirements.

- AOC performs quarterly JIPS caseload audits for compliance with all program requirements. The JIPS Division director must develop formal corrective action plans for any operational deficiencies identified.
- Each year JPD must internally audit all of its probation caseloads for compliance with program requirements.
- The division has developed comprehensive and detailed JIPS program policies and procedures.
- JIPS officers are provided extensive specialized training.

## **Research and Planning Services**

The division provides information technology services for the entire Juvenile Court Center. The division's 29 employees also build and support computer links with several other agencies that play a part in the juvenile justice system. The agencies are: County Attorney, Public Defender, Clerk of the Superior Court, Court Administration, AOC, schools, police departments, and social service agencies.

JPD programmers create programs that generate bills, record payments, and track probation officer caseloads and activities through the Juvenile On-Line Tracking System (JOLTS). In 1999 programmers worked with AOC to implement a statewide system for recording dependency information.

## **External Reviews**

The State passed a law in 2000 requiring the Administrative Office of the Supreme Court (AOC) to conduct comprehensive operational reviews of juvenile probation departments. AOC has scheduled JPD's first review, to be performed by the Juvenile Justice Services Division (JJSD), for December 2002. This review will be very similar to the one that AOC conducts at the County's Adult Probation Department.

We examined JJSD's detailed compliance/performance checklist and found that the review guide adequately encompasses all JPD operations, except information technology. The department's division managers confirmed that the checklist covers all activities. AOC

reports that JPD's compliance and performance will be assessed against every requirement listed in the 25-page review guide.

During October 2001 the Internal Audit Department audited JPD, for compliance with AOC's Minimum Accounting Standards, and found no significant control weaknesses or exceptions to AOC requirements and procedures.

Besides the JJSD Operational Review, AOC performs (in-house or by contracted private accounting firms) an "... in-depth review and analysis of the County Finance and Probation Departments' handling of funds relating to the County Probation Department functions." The functions audited are funded (fully or in part) with the 13 State and Federal grants that JPD receives. AOC reports that JPD will also undergo this review during FY 2003.

### **Scope and Methodology**

Our audit objectives were to determine if JPD:

- Complies with applicable laws and regulations.
- Operates programs that meet established goals and objectives.
- Generates, maintains, and fairly discloses valid and reliable data.
- Safeguards County resources against waste, loss, and abuse.

The audit was performed in accordance with Government Auditing Standards.

# Department Reported Accomplishments

The Juvenile Probation Department (JPD) provided the Internal Audit Department the following information for inclusion in this report.

- In 1999, the County and JPD partnered to secure a JAIBG grant and entered into a partnership with the cities of Avondale, Chandler, Glendale, Phoenix, and Paradise Valley, with affiliated members Goodyear, Guadalupe, and Peoria. At the request of the County Administrative Officer, David Smith, JPD became the project administrator and has served as the fiscal agent for this consortium grant. The grant supports the furtherance of two programs: Enhancement of Information Sharing (JOLTS) and Expansion of Safe Schools.
- JPD received a Year 2000 NaCO Achievement Award for the development of the Safety Committee. The mission of the Safety Committee is to ensure the safety of all JPD staff by identifying all areas of concern, investigating solutions, and making recommendations to the Executive Team.
- Through a grant proposal sponsored by the Maricopa County Board of Supervisors, Chairman Jan Brewer, and Representative Bob Stump, JPD was awarded a \$500,000 OJJDP grant to develop a School Violence Prevention and Outreach Program. The goal is to educate teachers, parents, students and the community regarding juvenile violence prevention and intervention on school campuses.
- In 2001, Project SOAR (Status Offender Alternative Response), which was made possible by a grant from the Governor's Office for Children, began providing on-site short-term family therapy to families who are not involved with the Juvenile Court.
- JPD Director, Cheryl K. Townsend was named 2001 Executive of the Year by the National Association of Probation Executives. This award is given in recognition of exemplary and sustained service by a probation administrator.
- JPD was presented a Fiscal Fitness Award for FY 2001 by the Maricopa County Office of Management and Budget.
- Groundbreaking for both the Mesa Juvenile and Durango Juvenile Detention facilities under the Jail Expansion Program occurred in September, 2001. The Juvenile Residential Treatment Facility should be completed in the Fall of 2002. An RIR for the operational costs of the facility was submitted during the FY03 budget process.
- Many changes have occurred at the State level regarding Probation Officer Safety and a "continuum of force" ranging from verbal commands to arming. JPD will be challenged with implementing these changes and providing training and funding for safety issues during the remainder of FY 2002 and FY 2003.

# Issue 1 Protection of Data

## Summary

JPD Computer programmers are responsible for authorizing, writing, testing, and implementing program changes to the Juvenile On-Line Tracking System (JOLTS). Programmers also have system administrator authority and can change data in on-line screens. Because duties are not adequately segregated, the risk increases for processing erroneous or fraudulent transactions, implementing improper program changes, and damaging computer resources. JPD should segregate main operating and programming activities.

## Best Practice

Computer programming responsibilities should be segregated so that one individual does not control all critical stages of a process. For example, one computer programmer should not be allowed to independently write, test, and approve program changes. Dividing duties among two or more individuals or groups diminishes the likelihood that errors and or wrongful acts will go undetected because the activities of one group or individual will serve as a check on the activities of others.

## Control Weaknesses

Our review found that JPD programmers move their own changes to the production environment, have system administrator rights, and can update information on the JOLTS screens. JPD's relatively small information technology shop has contributed to programmers having more access to system resources than necessary to effectively perform their jobs.

## Overall Impact

Inadequately segregated duties increase the risk of:

- Erroneous or fraudulent transactions being processed.
- Implementation of improper program changes.
- Damage or destruction of computer resources.

A computer programmer, responsible for authorizing, writing, testing, and implementing program modifications, could inadvertently or deliberately implement programs that do not process transactions in accordance with authorized policies or include malicious code.

## Recommendation

JPD should segregate duties between major operating and programming activities including duties performed by users, application programmers, and data center staff.

## Issue 2 Disaster Recovery Plan

### Summary

JPD's information system disaster recovery plan, prepared for Year 2000, is incomplete and outdated. This control weakness increases the risk that JPD may not be able to recover its systems, in a timely manner, in the event of an extended outage or disaster situation. JPD should expand and update its disaster recovery plan.

### Best Practice

Losing the capability to process, retrieve, and protect information maintained electronically can significantly affect an agency's ability to accomplish its mission. County policy A1602 requires all agencies to develop:

- Procedures to protect information resources and minimize the risk of unplanned interruptions.
- A plan to recover critical applications should interruptions occur.

### Business Risk

We examined JPD's Year 2000 information technology disaster recovery plan and found that the plan is incomplete and outdated. Even relatively minor interruptions could result in lost or incorrectly processed data. This situation can cause financial losses, expensive recovery efforts, and inaccurate or incomplete financial or management information. The Research and Planning Services Division's management has not made updating and improving the disaster recovery plan a priority issue.

### Recommendation

JPD should:

- A. Expand and update the Year 2000 disaster recovery plan.
- B. Test the plan periodically and update the plan, as needed.

## **Department Response**

# SUPERIOR COURT • JUVENILE PROBATION DEPARTMENT

## MARICOPA COUNTY

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CHERYLN K. TOWNSEND, Director of Juvenile Court Services

March 6, 2002

Ross L. Tate, County Auditor  
301 W. Jefferson  
Phoenix, AZ 85003

Dear Mr. Tate,

We have completed our review of the report prepared by Internal Audit and were pleased with the results. The recommendations in the area of information reporting systems have been considered and our response has been forwarded for inclusion with the final report.

We appreciate the time spent by your staff, their professionalism and the efforts made to minimize disruptions to our daily work. If you need anything further, please contact Joyce Costanzo at 506-4333.

Sincerely,



Cheryl K. Townsend  
Director Juvenile Court Services

Cc: Hon. Linda Scott, Presiding Juvenile Court Judge



**AUDIT RESPONSE**  
**DEPARTMENT JUVENILE PROBATION**  
**February 28, 2002**

**Issue #1**

**Protection of Data.**

**Recommendation:**

JPD should segregate duties between major operating and programming activities including duties performed by users, application programmers, and data center staff.

**Response:** **Concur** - We are examining all job functions within the RAPS organization, and to the extent possible with existing staff will segregate duties. We will outline the new job functions and describe where we are lacking sufficient expertise to completely segregate duties.

**Target Completion Date:** 5-01-2002

**Benefits/Costs:** Increased control over accountability. We will prepare a proposal for additional staff as needed to completely segregate duties.

**Issue #2**

**Disaster Recovery Plan.**

**Recommendation :**

JPD should:

- A. Expand and update the Year 2000 disaster recovery plan.
- B. Test the plan periodically and update the plan, as needed.

**Response:** **Concur-** A project has been initiated to expand and update the Year 2000 disaster recovery plan. Scheduled start date is 5-01-2002.


**Target Completion Date:** 11/01/2002

**Benefits/Costs:** Increased control over potential outages and unexpected occurrences.

**Approved By :**

  
Department Head/Elected Official

3-8-02  
Date

  
Juvenile Presiding Judge

3-8-02  
Date